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SUBJECT: GOVERNOR RICHARDSON AND FORMER SECRETARY PRINCIPI  
VISIT SEOUL

REF: SEOUL 1078

¶1. (SBU) SUMMARY: During an April 11-12 visit to Seoul, New Mexico Governor Bill Richardson and former Secretary of Veteran's Affairs Principi noted that the DPRK had been cooperative in facilitating the transfer of the remains of servicemen thought to have died during the Korean War. The Richardson-Principi delegation also conveyed its view that the DPRK was willing to move forward on the February 13 Initial Actions agreement following resolution of the Banco Delta Asia (BDA) issue. In Seoul on April 11, the delegation met with ROK Foreign Minister Song Min-soon and Unification Minister Lee Jae-joung. On April 12, the delegation met with President Roh Moo-hyun (reftel). END SUMMARY.

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RETURN OF REMAINS  
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¶2. (SBU) On April 11, after crossing the Military Demarcation Line into South Korea from North Korea, New Mexico Governor Bill Richardson and former Secretary of Veteran's Affairs Anthony Principi met separately with Foreign Minister Song Min-soon and Unification Minister Lee Jae-joung. Richardson noted that the delegation's primary reason for visiting the DPRK was to facilitate the return of remains of missing American servicemen thought to have perished during the Korean War. To this extent, Richardson explained, the DPRK had made a goodwill gesture in returning six sets of remains. It was made clear, however, that the delegation's trip to the DPRK and the return of the six remains did not indicate a resumption of the remains recovery project, which needed to be discussed in the context of progress of Six-Party Talks, he said. Richardson said that the most significant difference from his previous five visits to North Korea was that there was more commercial activity in Pyongyang this time. Former Secretary Principi added that the bipartisan delegation's mission was important to the families of the fallen soldiers and also to help heal the wounds of war between the United States and North Korea.

¶3. (SBU) Unification Minister Lee Jae-joung described the return of the remains as a success. It would not only help improve U.S.-DPRK relations, but the ROKG hoped to build on it in April 10-12 ROK-DPRK Red Cross talks to discuss the ROK's own POW and MIA concerns. Lee said that during the Red Cross talks the ROKG would deliver two messages: (1) the USG was doing its part on BDA, so the DPRK should respond positively; and (2) it was important for all sides to

implement the February 13 agreement. Lee added that he hoped that the bipartisan nature of the delegation would play a role in helping to resolve the DPRK nuclear issue and bring peace to the Peninsula.

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DPRK INTENDS TO COMPLY WITH 2/13 AGREEMENT  
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¶4. (SBU) Richardson shared his impression that the North Koreans were serious about denuclearizing, but they were being petty and difficult about the Banco Delta Asia (BDA) issue. In particular, the North Koreans had welcomed the announcement by the U.S. Treasury that DPRK accounts in BDA had been unblocked, but they expected more still to be done, for instance, having the money hand-delivered to them. They did, however, reaffirm their commitment to the February 13 agreement and told Richardson that they were ready to invite IAEA inspectors into the DPRK "the next day" after the BDA funds were returned.

¶5. (SBU) Principi reiterated that DPRK officials during the delegation's visit expressed a commitment to the Six-Party Talks and reaffirmed that they would fulfill denuclearization obligations once BDA was resolved. Principi said that A/S Hill had done an extraordinary job in helping to resolve the BDA issue, but now the ball was in the DPRK's court. Principi said he departed the DPRK with a slight sense of optimism, adding that now sufficient resolve, focus, and discipline were needed to succeed.

¶6. (SBU) Song agreed with Richardson's impression that the North Koreans were serious about their intent to comply with the February 13 agreement. On BDA, he stressed that the

biggest concern for the North Koreans was their legitimacy as a member of the international banking community, rather than the issue of the USD 25 million itself. Song speculated that there seemed to be a communication problem within North Korea about how to proceed. In the past, DPRK decisions have been made very "abruptly," so he thought that a decision to move forward could come anytime. Still, Song agreed that the ball was now in the North Korean's court; now that BDA funds were unfrozen, they had to take action. Song said that it was premature to think about what course of action the North Koreans would take next.

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NORTH-SOUTH RELATIONS  
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¶7. (SBU) Richardson told Unification Minister Lee that after six visits to the DPRK, he found North Korean leadership to be isolated and unpredictable. What would help the DPRK better understand the importance of human rights and family reunions was more contact with the ROK. We needed diplomacy in the Six-Party Talks and engagement with the DPRK to move beyond the Armistice Agreement. It was his impression that the DPRK saw its relationship with the ROKG as better than with other Six-Party members, so the ROKG role in encouraging the DPRK to denuclearize and reform was key. He suggested that, perhaps, the ROKG should do more to address rural poverty in the DPRK and to increase people-to-people exchanges. The ROKG should think about what dramatic step it could take to help the DPRK, he said.

¶8. (SBU) Lee said that he agreed "100 percent" with the Governor's opinion. The Six-Party Talks and North-South dialogue were like two wheels that turned together. At times the Six-Party Talks could help North-South dialogue and at times North-South dialogue could help propel the Six-Party Talks. The ROKG had a three-prong approach to improving relations with the DPRK. First, the ROKG was supporting North-South dialogue in various cultural, social, and humanitarian fields. Second, the ROKG supported economic cooperation, as in the Kaesong Industrial Complex that would teach North Koreans about capitalism and the market system. Finally, the ROKG supported joint programs, such as visits of

the DPRK youth soccer teams, the DPRK taekwondo team, and delegations to commemorate the June 2000 inter-Korean summit and August 15 Liberation Day. Lee himself was also committed to improving DPRK agriculture. Ten years ago, before he became Unification Minister, Lee said he had been involved in farmer-to-farmer agricultural programs, such as seed potatoes, to help DPRK rural sectors. Now, as minister, Lee supported giving the DPRK fertilizer aid to help the DPRK raise its agricultural yields.

¶9. (SBU) On the issue of a second North-South summit, Song said that the ROKG principle was firm: holding a summit "for the sake" of holding a summit was inadvisable given ongoing Six-Party Talks and the situation on the Korean Peninsula. Rather, the ROKG would pursue a summit only if real progress in inter-Korean relations and denuclearization of the North could be realistically expected to result from the summit. Richardson noted that the North Koreans seemed to regard the South highly. In his opinion, the North Koreans had not ruled out the possibility of a North-South summit in the near future.

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U.S.-ROK ALLIANCE IN EXCELLENT SHAPE  
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¶10. (SBU) Song noted that the U.S.-ROK Alliance was in excellent shape, highlighting the conclusion of the KORUS FTA, the February 23 agreement to transfer wartime operational command (OPCON) in 2012, and progress in relocating U.S. military bases. The bilateral alliance, and shaping the alliance to meet our future common needs, were top priorities for the ROKG, he said. Song said that securing FTA ratification by the National Assembly would be a tough task, but that he, as well as Prime Minister Han Duck-soo and Trade Minister Kim Hyun-chong, were already hard at work lobbying for its ratification. Noting that U.S. Congressional ratification would also be difficult, Ambassador Vershbow said that opening the Korean market for U.S. beef imports would help. Song said that once the World

Organization for Animal Health (OIE) made a determination on the safety of U.S. beef, there would be no reason to ban U.S. beef or delay the procedures necessary to resume U.S. beef imports.

¶11. (U) The Richardson-Principi delegation did not have an opportunity to clear this message.  
STANTON